



United States
Department of
Agriculture

Food and
Nutrition
Service

Mountain
Plains
Region

1244 Speer Boulevard
Denver, CO 80204

Reply to
Attn. of:

SP 94-C-51

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Subject: Department of Health and Human Services Child Care Payments Excluded From Income Consideration

To: STATE AGENCY DIRECTORS - Colorado ED, Iowa, Kansas, Missouri ED,
(Special Nutrition Programs) Montana OPI, Nebraska ED, North Dakota,
South Dakota, Utah, Wyoming ED

Public Law 101-508, the Omnibus Budget Reconciliation Act of 1990, established two separate grant programs to be administered by the Department of Health and Human Services for providing Federal support for child care. The purpose of this memorandum is to clarify that any benefits received under these grant programs are to be excluded from income consideration in the process officials follow to determine children's free and reduced price meal eligibility, or free milk eligibility, based upon household size and income.

The first of these programs is the Aid to Families with Dependent Children (AFDC) At Risk Child Care Program. Its purpose is to provide child care for low-income, working families, who are not receiving AFDC, need child care in order to work, and would otherwise be at risk of becoming eligible for AFDC. The second program is the Child Care and Development Block Grant which is intended to increase the availability, affordability and quality of child care and early childhood development and before- and after-school services for low-income families.

The statutory provisions governing the AFDC At Risk Child Care Program specify: ". . . the value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for the care) under the Grants to the States, shall not be treated as income . . . for purposes of any other Federal or federally-assisted program that bases eligibility for or amount of benefits upon need" This would appear to preclude any administrative determination on our part relative to these funds.

The authorizing legislation made no such stipulation for the Child Care and Development Block Grant. However, subsequently, Public Law 102-586, the Juvenile Justice and Delinquency Prevention Amendments of 1992, enacted November 4, 1992, did enact such a stipulation: ". . . the value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) [under the Child Care and Development Block Grant] shall not be treated as income for purposes of any other Federal or federally-assisted program that bases eligibility, or amount of benefits, on need."

Hence, any benefit from either of these child care grant programs, including cash payment, should not be considered as income when determining eligibility for participation in the child nutrition programs.

Please contact our office if you have any questions.

Ann C. Hector

ANN C. HECTOR
Regional Director
Special Nutrition Programs